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U.S. BANKRUPTCY COURT  
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Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

Case No. BK-N- 01-31627  
(Chapter 11)

In re

WASHINGTON GROUP  
INTERNATIONAL, INC., et al.,  
Debtors.

**INTERIM AND FINAL ORDER,  
UNDER 11 U.S.C. § 105(a) and  
362, PROHIBITING CERTAIN PRO-  
JECT OWNERS FROM WITHHOLDING  
AND OFFSETTING PAYMENTS DUE TO  
DEBTORS OR PAYING SUBCONTRAC-  
TORS DIRECTLY ON ACCOUNT OF  
PREPETITION CLAIMS**

Hearing Date: May 14, 2001  
Hearing Time: 1:00 p.m.

SCANNED

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3           Upon the motion, dated May 13, 2001 (the "Motion")<sup>1</sup> of  
4 the above-captioned debtors and debtors-in-possession in the  
5 above-captioned cases (collectively, the "Debtors"), for an order  
6 pursuant to 11 U.S.C. §§ 105(a) and 362 prohibiting project  
7 owners of the Debtors (collectively, the "Project Owners") from  
8 withholding or otherwise offsetting any payments owed the Debtors  
9 or paying subcontractors of the Debtors directly based on  
10 prepetition services and claims of such subcontractors; and upon  
11 the Affidavit of Stephen G. Hanks in Support of Chapter 11  
12 Petitions and First Day Orders, sworn to on May 13, 2001; and  
13 this Court having determined that the relief requested is in the  
14 best interest of the Debtors, their estates and creditors; and it  
15 appearing that sufficient notice has been given and that no  
16 further notice is necessary; and after due deliberation thereon;  
17 and good and sufficient cause appearing therefor, it is hereby

18  
19           ORDERED, ADJUDGED AND DECREED THAT:

20           1.    The Motion is GRANTED.

21           2.    Absent timely relief from the automatic stay in  
22 effect in these cases pursuant to Bankruptcy Code section 362(a)  
23 (the "Automatic Stay"), all Project Owners are prohibited from  
24 withholding or otherwise offsetting any payments owed to the  
25 Debtors. To be timely, a motion for relief from the Automatic  
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27           <sup>1</sup>    All capitalized terms not otherwise defined herein  
28           shall have the meanings ascribed to them in the  
            Motion.

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3 Stay to withhold or otherwise offset against any payments owed to  
4 the Debtors must be filed within 60 days of the date of this  
5 Order (the "Lift Stay Deadline"), provided, however, that a  
6 Project Owner may extend the Lift Stay Deadline for cause by  
7 filing a motion to extend the Lift Stay Deadline withing such 60  
8 day period.

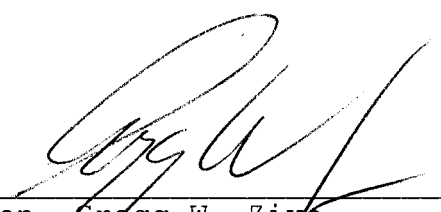
9           3. In the event that a Project Owner seeks to exer-  
10 cise a right of recoupment or any other right by which the  
11 Project Owner contends that it is enabled to pay Subcontractors  
12 directly from amounts earned by a Debtor, then such Project Owner  
13 shall give three (3) days' written notice of the Project Owner's  
14 intent to exercise such rights to counsel for the Debtors  
15 (Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square,  
16 Wilmington DE 19801, (302) 651-3001 (f), Attn: Gregg Galardi).

17           4. The Debtor shall serve notice of entry of this  
18 Interim Order on any known or reasonably identifiable Project  
19 Owner within 5 business days after entry hereof. The Project  
20 Owners shall have until June 6, 2001 at 4:00 p.m. to object to  
21 such order (the "Objection Deadline"). In the event that a  
22 Project Owner does not timely file and serve an objection by the  
23 Objection Deadline, this Order shall become a Final Order with  
24 respect to such Project Owner. In the event that an objection is  
25 timely filed and served by the Project Owner, a hearing on the  
26 objection will be held on June 13, 2001 at 9:30 a.m. At such  
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hearing, the Motion shall be heard by this Court de novo with respect to the objecting Project Owner, with the Debtors continuing to bear the burden of proof or persuasion.

Dated: Reno, Nevada  
May 15, 2001

  
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Hon. Gregg W. Zive  
UNITED STATES BANKRUPTCY JUDGE